UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re ENRON CORPORATION SECURITIES LITIGATION	§	Civil Action No. H-01-3624
	§	**(Consolidated)**
	§	
	§	CLASS ACTION
This Document Relates To:	§	
MARK NEWBY, et al., Individually and On Behalf of All Others Similarly Situated,	§	
Plaintiffs,	§	
vs.	§	
ENRON CORP., et al.,	§	
Defendants.	§	
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, et al., Individually and On Behalf of All Others Similarly Situated,	§	
Plaintiffs,	§	
vs.	§	
KENNETH L. LAY, et al.,	§	
Defendants.	§	

SUPPLEMENTAL SUBMISSION REGARDING LEAD COUNSEL'S INTERIM EXPENSE REIMBURSEMENT REQUEST*

* Expedited Consideration Requested

2341

Introduction

On August 6, 2004, the Court entered its "Memorandum and Order Awarding Lead Plaintiff's Counsel Partial Reimbursement of Expenses," granting plaintiffs' counsel some $4.8 million in interim out-of-pocket expense reimbursement. We thank the Court for the award and for its effort undertaken in reviewing the voluminous documentation submitted in support of the application. We also appreciate the guidance by the Court for future expense reimbursement applications.

The Court, however, denied 20% of Lerach Coughlin Stoia Geller Rudman & Robbins LLP's ("Lerach Coughlin") meals, hotels and transportation expense entries as extravagant, excessive and/or unnecessary. In this regard, the Court was obviously disturbed by, *inter alia*, a "documented preference" for $1,000-plus per night hotel rooms, a $25,000 one-day hotel "tab" at Laguna Niguel, California, a one-day cross-country East Coast-West Coast-East Coast plane trip, a two-day San Diego/Texas/San Diego plane trip and reimbursement for chartering a private jet.

We believe that the Court reached these conclusions and used this language because of certain ambiguous and incomplete entries in the 400-page computer printout supporting the reimbursement submission. Despite extensive efforts to make the expense printout that was submitted to the Court clear, understandable and unambiguous, there were some instances where we failed to achieve that end. This is not a request for reconsideration. Counsel stress that they are willing to accept the 20% reduction as an appropriate response for these ambiguous and/or incomplete entries. ***But we must assure the Court, as demonstrated below, hotel charges of $1,000+ are for multi-day stays, no one spent $25,000 for a one-night hotel stay, no one-day round trip cross country plane trip took place and that no expense reimbursement was sought for the cost of chartering a private jet***! In light of the information set forth below, we request the Court clarify the August 6, 2004 Order to eliminate the references to extravagance and the like; otherwise,

those statements, which we believe are incorrect, could unfairly damage our professional reputation and standing.[1]

The $25,000 Hotel Charge

The Court noted as an excessive hotel charge, "a $25,584.33 tab for a night at the Ritz Carlton in Laguna Niguel." Order at 10. We completely agree that if this were a charge incurred by ***one*** person for a ***one*** night stay, the amount would not only be excessive, it would be ridiculous. But the charge was not a one-night stay by one person. The date March 22, 2002, is the date the hotel billed us or we paid the bill. The single date gives the erroneous impression it was a ***one***-day charge for ***one*** person which it most assuredly was not.

This charge was a payment for a two-day meeting of representatives of the Enron lead plaintiff, a number of Milberg Weiss lawyers and staff, outside expert consultants and investigators (***a total of more than 35 individuals***) held early on in the case over a two-day period. One reason for the meeting was to provide an opportunity for the lawyers, staff personnel and experts who were going to be working on the case to meet at the outset with representatives of the Lead Plaintiff's legal staff, to discuss key issues presented by the case, plan prosecution of the case, and provide those present ***uniform*** instruction on the strategies, procedures, policies, etc., that would be followed in the prosecution of the case. A second major focus of the retreat was the preparation of the Consolidated Complaint. At the scheduling conference on February 25, 2002 we had asked for 60 days to file a Consolidated Complaint. The Court set a deadline of April 1, 2002. Thus we had only about 30 days to draft the complaint adding nine financial institutions, two law firms and numerous individuals to the case. This daunting task was a major focus of this meeting. Our efforts paid off in

---

[1] For the Court's consideration, we have attached to this Submission a proposed modified version of the August 6, 2004 Order reflecting the clarification we seek, *i.e.*, deleting portions of pp. 9-10 from the original.

the generation of a 500-page complaint which the Court largely upheld, thereby giving the class an opportunity for a significant recovery – ***which will be achieved***. The line item for a March 22, 2002 Ritz Carlton charge of $25,584.33 represents a portion of the room charges for these 35+ people, phone and fax charges, conference rooms for meetings and meals and other services necessary for the meeting. *See* Declaration of Keith F. Park, dated August 13, 2004, ¶2 ("Park Decl., ¶_"). Whether this expense was reimbursable – and with respect, we believe that it was, as that meeting was necessary and turned out to be extremely useful – we recognize this to be a legitimate issue. However, we wanted the Court to have this more detailed explanation as to the basis of this charge. ***It was not a $25,000 one-night stay for anyone***.

$1,000 Per Night Hotel Rooms; the Donahue/Nelson/Sanders Hotel Charges

The Court also cited as excessive $1,000 per night hotel charges, including hotel bills for Darnell Donahue ($1,315.87), Rick Nelson ($899.46), and Christine Sanders ($1,451.88) in New York City. Again, if these were hotel charges for ***one*** night, one might conclude that they were excessive, even though the stays were in New York City. In fact, these charges were for ***multiple night stays*** (Darnelle Donahue (11/29/01-12/2/01); Rick Nelson (11/29/01-12/1/01); and Christine Sanders (11/29/01-12/02/01), three of our staff personnel who were meeting with representatives of one of the class representatives, Amalgamated Bank, to collect and verify the Bank's transactional data in Enron securities. The reason it looks like a ***one***-night stay is that the hotel bills us on ***one*** date or we pay the charge on ***one*** date, obscuring the fact that the charge is for a multi-day stay, including other customary hotel charges such as taxes, faxes, phone, business center use, etc. Thus, these hotel charges (as well as others throughout this section of the expense printout) include not only the basic cost of the hotel room itself but all incidental charges (such as hotel meals, faxes, long distance telephone, etc.) relating to the hotel stay. The actual average cost per night, we submit, is reasonable for hotels in New York City.

When Lerach Coughlin lawyers and/or support staff travel on the *Enron* case, they stay in typical business hotels, normally in the downtown section of the city they are working in. As noted above, the reason hotel charges appear to add up to $1,000 per night stays are that they are billed or posted on a single date, even though a multiple-day stay occurred. In addition, our lawyers often extensively utilize fax communications, long distance telephone and internet access charges which are included in the total hotel room charges. These accessory charges are often very high, sometimes equaling or exceeding the basic charge. But, if they are excessive, they are excessive because these hotels gouge their captive business guests. In addition, room service meals or hotel restaurant meals (which could be, in some instances, for several people) are often charged to a hotel room and, of course, end up in the total hotel room charge. Thus, the full hotel charge shown for a given person's room often includes multiple-day stays, as well as significant charges above and beyond the basic hotel room rate. Park Decl., ¶3.

The Airplane Trips

The New York/San Diego/ Newark trip was not a one-day trip, but a several day trip. ***The date shown was the date the airfare was charged or paid for and does not show the dates actually traveled***. Credit card companies and travel agents charge for plane tickets or other travel-related services in a single charge posted on a single date, when in fact the travel or other travel service may occur over a period of days.

In May and early June 2002, when we had 30 days to respond to 43 motions to dismiss (some over 50 pages long), we brought in a few attorneys from our New York office to work with us in San Diego in drafting oppositions. Elizabeth Berney was one of the lawyers who traveled from New York to work on the oppositions and ***spent a week in our San Diego office in May 2002***. The airfare charge was the fare for the roundtrip. Park Decl., ¶4.

The May 22-23, 2003 two-day trip to Texas and back to San Diego (by Paul Howes), was for the purpose of preparing a class representative plaintiff for his deposition and interviewing two witnesses. This was the only time when all four schedules meshed. Howes went from San Diego to Dallas, and then to Lubbuck to meet the witnesses, then back to San Diego. Park Decl., ¶4. This was hard work, not abusive travel.

With respect to private jet charges, the printout was again subject to misinterpretation. On the few occasions where private jet travel was utilized, the flights were always for multiple persons. What was sought by way of reimbursement ***was the normal first class fare for all involved, i.e., only a proportional part of any actual charter expense***. Park Decl., ¶5. We never sought reimbursement for the entire jet charter cost.

We understand that reasonable minds can differ on the value to a client or class of periodically utilizing business or first class travel. That said, we understand and respect the Court's position on first class airfare and will respect it in any future expense reimbursement application.

Conclusion

Plaintiffs' counsel again reiterate their appreciation for the Court's granting their Interim Expense Reimbursement Request. Even though the reimbursement application was carefully reviewed by representatives of the Lead Plaintiff prior to its submission, we regret that ambiguous or incomplete entries in our supporting documentation led the Court to conclude that reimbursement for extravagant expenditures was being sought when, in fact, this was not the case. We also regret that certain incomplete or ambiguous entries led the Court to make statements that could be very harmful to our firm's professional reputation and standing. We earnestly request that that language be eliminated from the Order, but reiterate that we are willing to accept the expense reimbursement reduction as a penalty, for the ambiguous or incomplete entries that resulted in this unfortunate situation.

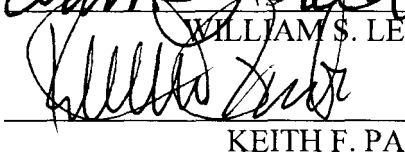
Under the direction of the Lead Plaintiff, Lead Counsel continues to vigorously prosecute the case, which is proceeding extremely well.

DATED: August 16, 2004

Respectfully submitted,

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
WILLIAM S. LERACH
KEITH F. PARK
DARREN J. ROBBINS
HELEN J. HODGES
BYRON S. GEORGIOU
JAMES I. JACONETTE
MICHELLE M. CICCARELLI
JAMES R. HAIL
ANNE L. BOX
JOHN A. LOWTHER
TRIG R. SMITH
ALEXANDRA S. BERNAY
MATTHEW P. SIBEN
ROBERT R. HENSSLER, JR.

WILLIAM S. LERACH



KEITH F. PARK

HELEN J. HODGES

401 B Street, Suite 1700
San Diego, CA 92101
Telephone: 619/231-1058

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
REGINA M. AMES
355 South Grand Avenue, Suite 4170
Los Angeles, CA 90071
Telephone: 213/617-9007
213/617-9185 (fax)

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
G. PAUL HOWES
JERRILYN HARDAWAY
Texas Bar No. 00788770
Federal I.D. No. 30964
1111 Bagby, Suite 4850
Houston, TX 77002
Telephone: 713/571-0911

Lead Counsel for Plaintiffs

SCHWARTZ, JUNELL, GREENBERG
& OATHOUT, LLP
ROGER B. GREENBERG
State Bar No. 08390000
Federal I.D. No. 3932

ROGER B. GREENBERG

Two Houston Center
909 Fannin, Suite 2000
Houston, TX 77010
Telephone: 713/752-0017

HOEFFNER & BILEK, LLP
THOMAS E. BILEK
Federal Bar No. 9338
State Bar No. 02313525
440 Louisiana, Suite 720
Houston, TX 77002
Telephone: 713/227-7720

Attorneys in Charge

BERGER & MONTAGUE, P.C.
SHERRIE R. SAVETT
1622 Locust Street
Philadelphia, PA 19103
Telephone: 215/875-3000

Attorneys for Staro Asset Management

WOLF POPPER LLP
ROBERT C. FINKEL
845 Third Avenue
New York, NY 10022
Telephone: 212/759-4600

Attorneys for Nathaniel Pulsifer

SCOTT + SCOTT, LLC
DAVID R. SCOTT
NEIL ROTHSTEIN
S. EDWARD SARSKAS
108 Norwich Avenue
Colchester, CT 06415
Telephone: 860/537-3818

Attorneys for the Archdiocese of Milwaukee Supporting Fund, Inc.

LAW OFFICES OF JONATHAN D. McCUE
JONATHAN D. McCUE
4299 Avati Drive
San Diego, CA 92117
Telephone: 858/272-0454

Attorneys for Imperial County Board of Retirement

CUNEO WALDMAN & GILBERT, LLP
JONATHAN W. CUNEO
MICHAEL G. LENETT
317 Massachusetts Avenue, N.E.
Suite 300
Washington, D.C. 20002
Telephone: 202/789-3960

Washington Counsel

S.\Settlement\Enron.Set\not expense reimburse doc

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re ENRON CORPORATION SECURITIES LITIGATION	§	Civil Action No. H-01-3624
	§	**(Consolidated)**
	§	
	§	CLASS ACTION
This Document Relates To:	§	
	§	
MARK NEWBY, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
	§	
vs.	§	
	§	
ENRON CORP., et al.,	§	
	§	
Defendants.	§	
	§	
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, et al., Individually and On Behalf of All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
	§	
vs.	§	
	§	
KENNETH L. LAY, et al.,	§	
	§	
Defendants.	§	
	§	

AMENDED MEMORANDUM AND ORDER AWARDING LEAD PLAINTIFF'S COUNSEL PARTIAL REIMBURSEMENT OF EXPENSES

Pending before the Court in the above referenced cause with supporting declarations is Lead Counsel's application for partial reimbursement of expenses (instrument #1847), originally in the amount of $4,841,820.56[1] for Lead Counsel and, for firms working with Milberg Weiss Bershad Hynes & Lerach LLP ("Milberg Weiss"), $128,129.58, $28 for Genovese Joblove & Battista PA ("GJB"),[2] $28,093.26 for Cuneo Waldman & Gilbert, LLP,[3] and $10,521.99 for Schwartz, Junell, Greenberg & Oathout, LLP ("SJGO"), for a total of $5,008,565.39. These funds are to be paid from the $15 million Expense Fund[4] (approved #1835) established pursuant to the Stipulation of Partial Settlement (approved #1834), dated August 29, 2002, between Representative Plaintiffs and certain Arthur Andersen entities (Andersen Worldwide Societe Cooperative, Arthur Andersen (United Kingdom), Arthur Andersen-Brazil, and Andersen Co. (India)). Lead Plaintiff represents that before the application for partial reimbursement was originally filed, Lead Plaintiff the Regents reviewed the repayment requests and approved them; such oversight by the Regents is intended to be another procedural safeguard for the class.

On May 3, 2004 Lead Counsel filed a Notice of Change of Firm Affiliation (#2119) and is now a partner in Lerach Coughlin Stoia & Robbins LLP ("Lerach Coughlin"). #2289. A written

---

[1] As will be explained, Lead Plaintiff subsequently reduced this amount by $18,259.04, to $4,823,561.52.

[2] The declaration of Craig P. Rieders of GJB (#1847) recites that the firm aided Milberg Weiss "regarding matters in the Enron bankruptcy proceeding and the potential impact of the bankruptcy proceedings on the litigation pending before the Court."

[3] Cuneo Waldman & Gilbert, LLP is the successor firm to The Cuneo Law Group, PC. According to the declaration of Jonathan W. Cuneo (#1851), in addition to aiding in drafting pleadings and portions of the opposition to motions to dismiss, the "firm was involved in the passage of the Private Securities Litigation Reform Act of 1995" and has "special expertise in Congressional developments that led to the passage of that Act." The firm also "monitored all Congressional hearings dealing with Enron" and obtained all materials relevant to them that have been released.

[4] Pursuant to the Stipulation, the Fund was allocated as follows: 80.5% is allocated to *Newby* and to *Washington State Investment Board* (H-02-3401) actions; and 19.5% to the *Tittle* action.

agreement between Milberg Weiss and Lerach Coughlin will govern the partial reimbursement of any fees from the Expense Fund, but for purposes of Lead Plaintiff's application, its revised proposed order awards such reimbursement to Lerach Coughlin. *Id.* However, to conform to the pleadings here, the Court will refer to Movant as Milberg Weiss.

Lead Counsel has arranged its expenditures in categories and requests reimbursement in the following amounts for the following expenses, which it deems "reasonable and necessary" and "of the type typically billed by attorneys to paying clients in the marketplace" (#1847 at 2).[5] First Milberg Weiss seeks reimbursement of $1,696,097.74 for Experts', Consultants', and Investigators' fees, broken down as follows: (a) $808,573.57 for financial consultants that aided it in drafting allegations and in discovery relating to the financial institution defendants; (b) $58,241.05 for computer consultants employed after this Court ordered Arthur Andersen, which was alleged to have destroyed or deleted physical and electronic files, to make its expert available to Lead Counsel's expert to preserve what documents it could and identify what had been destroyed; (c) $731,308.04 for investigators identifying, locating, and interviewing witnesses; (d) $20,212.00 for accounting consultants to review Enron's accounting and auditing; (e) $11,200.00 for consultants that aided Milberg Weiss in developing allegations about defendant law firms' duties and obligations; (f) $11,200.00 for energy consultants to help Milberg Weiss understand the dynamics and practices of the energy industry; and (g) $55,363.08 for *Newby's* share of the court-ordered mediation. As for class action notices, Lead Plaintiff's counsel applies for reimbursement for $3,581.00 expended in complying with the PSLRA's notice requirements, 15 U.S.C. §78u-4(a)(3)(A)(i). In addition, it requests repayment of $78,826.55 for filing and witness fees; $354,534.90 for computerized legal

---

[5] Citing *Harris v. Marhoefer,* 24 F.3d 16, 19 (9th Cir. 1994), and *In re Media Vision Technology Sec. Litig.,* 913 F. Supp. 1362, 1366 (N.D. Cal. 1996).

research, which amount represents actual charges of the vendors; $866,156.76 for meals, hotels, and transportation; $65,419.43 for overnight delivery of pleadings prior to establishment of the website service and for communications with clients, delivery of documents for depositions, etc.; $1,489,483.53 for actual, out-of-house costs for photocopying; $57,566.34 for telephone and telecopier expenses; $164,798.29 for court reporter services; and $64,356.03 for miscellaneous items, specifically $7,860.70 for various publications and $56,495.33 for computer equipment for its Houston-based Enron trial office. *See* #1848, Declaration of Helen J. Hodges in support of partial reimbursement of expenses to Milberg Weiss.

The law firms that have aided Milberg Weiss in prosecuting this litigation have also broken down their smaller reimbursement requests into similar categories. #1847 at 7-8; #1849,[6] 1850,[7] 1851.[8]

Only Milberg Weiss' reimbursement requests have been challenged by Plaintiff class member Brian Dabrowski through his attorney, Lawrence W. Schonbrun, although the Court has reviewed all of the requests and supplemental documentation. Furthermore, the objections were not

---

[6] #1849, the declaration of Roger Greenberg of SJGO seeks compensation for $600 of expenses for filing, service or process and witness fees; $927 for transcripts of case proceedings from a court reporter; $6,647.38 for courthouse messenger and overnight delivery services (Federal Express and UPS); $318.02 for computerized legal research; $52.43 for court record searches; $226.38 for travel expenses; $566.29 for outside copy services; $931.20 for telephone and facsimile charges; and $253.28 for postage, mainly before the website was established.

[7] #1850, Reiders' declaration for GJB, seeks repayment of the following expenses incurred by the firm: $69,500.87 for travel expenses; $3,218.27 for photocopies; $4,113.41 for telephone and facsimile charges; $3,860.40 for Messenger and Federal Express costs; $195.20 for postage; $525 for filing, witness and other fees; $1,259.54 for court reporter services; $5,660.22 for computerized legal research; and $39,796.67 for the document depository.

[8] Cuneo on behalf of Cuneo Waldman & Gilbert, LLP declares his firm has expended $8,665.96 for travel; $8,682.46 for photocopies; $463.84 for telephone and facsimile; $8,906.55 for messenger and Federal Express services; $43.17 for computerized legal research; $0.68 for postage; and $1,330.60 for miscellaneous costs.

directed to the amounts in the partial reimbursement application, but to the fact that there was no underlying documentation to support or gauge the expenditures.

After objections were lodged regarding the lack of evidentiary support in the record for the reimbursement requests, *e.g.*, invoices, logs, bills, cancelled checks, etc., this Court noted its obligation to protect the class members and the common fund by careful scrutiny, especially relating to two concerns voiced about the Stipulation during the fairness hearing: (1) the unspecified amount of attorney's fees to be requested in the future by counsel and (2) the possibility that monies reimbursed from the Expense Fund for expenses might be used to pay for expenses incurred by others not part of the class. The instant application for partial reimbursement does not include attorney's fees. In response to the objections, but also to protect Lead Counsel from having to reveal privileged work product in this on-going litigation, the Court ordered Lead Counsel to submit the documentation to support its requests under seal for *in camera* inspection by the Court.

Milberg Weiss has provided a lengthy printout of the firm's "Enron: Expense Report from Inception through June 30, 2003," composed of individually itemized and dated expenses generated by the firm's accounting record-keeping system, based on different source documents including individual invoices, travel-related expense reports, internally-generated reports of in-house expenses, etc. In a letter accompanying the new submission, Lead Plaintiff states that it has discovered that it claimed $18,259.04 too much in transportation expenses and, after deducting that amount, it now seeks a reduced total reimbursement of $4,823,561.52. The Cuneo Law Group has provided an "Account Quick Report" as of May 27, 2003, itemizing each expense for Enron with date and amount; GJB has provided similar materials; and SJGO has provided copies of invoices and receipts as well as a computer-generated itemized list like the others. The Court has since examined these documents.

This case involves a common fund and expenditures are justified by the common fund doctrine established in *Boeing Co. v. Van Gemert,* 444 U.S. 472, 478 (1980):

> This Court has recognized consistently that a litigant or lawyer who recovers a common fund for the benefit of persons other than himself or his client is entitled to a reasonable attorneys' fee from the fund as a whole. Jurisdiction over the fund involved in the litigation allows a court to prevent . . . inequity by assessing attorney's fees against the entire fund, thus spreading fees proportionately among those who benefitted by the suit.

Id.

The rationale for allowing attorneys compensation for expenses and fees from a common fund "is that unless the costs of litigation are spread to the beneficiaries of the fund, they will be unjustly enriched by the attorney's efforts." *Swedish Hosp. Corp. v. Shalala,* 1 F.3d 1261, 1265 (D.C. Cir. 1993); *Manual for Complex Litigation (Third) §14.12* at 186-87 (2004) ("The common-fund exception to the American Rule is grounded in the equitable powers of the courts under the doctrines of *quantum meruit* and unjust enrichment. The exception applies where a common fund has been created by the efforts of a plaintiff's attorney and rests on the principle that 'persons who benefit of a lawsuit without contributing to its costs are unjustly enriched at the successful litigant's expense [footnotes omitted].'"); *Acosta v. Master Maintenance,* 192 F. Supp. 2d 577, 582 (M.D. La. 2001) ("[T]he common fund doctrine rests on the perception that persons who obtain the benefit of a lawsuit without contributing to its cost are unjustly enriched at the successful litigant's expense."), *aff'd,* 69 Fed. Appx. 659, No. 02-30655, 1003 WL 21356040 (5th Cir. May 29, 2003).

Moreover, as expressed by the district court in *Acosta v. Master Maintenance,* 192 F. Supp. 2d 577, 581-82 (M.D. La. 2001), *aff'd,* 69 Fed. Appx. 659, No. 02-30655, 1003 WL 21356040 (5th Cir. May 29, 2003):

> "When a common fund is available, attorneys for the successful parties may petition for a portion of the fund as compensations for their efforts. Once an attorney files such a petition, his role changes from one of fiduciary for his clients to that of a claimant against the fund created for the clients' benefit. Defendants, having made their contribution to the settlement, are uninterested in the distribution, so (as in this

> case) they typically do not offer any opposition to the fee petition. It is therefore incumbent upon the trial court to become the fiduciary for the fund's beneficiaries and to act with 'moderation and a jealous regard to the rights of those who are interested in the fund' in determining what is a reasonable fee to be paid to class counsel for their efforts in settling the litigation and creating the fund." . . . The same reasoning applies to the application for costs in the present case . . . . [citations omitted]

Id., quoting Purdy v. Security Savings & Loan Assoc., 727 F. Supp. 1366, 1268 (E.D. Wis. 1989). Thus counsel should maintain their records so as to be able to "explain the expenditures at the time they were incurred." *Acosta*, 192 F. Supp. 2d at 583.

The Court does not question the nature (categories) of all of the requested expense reimbursements and agrees that these kinds of expenditures are necessary costs, "of the type typically billed by attorneys to paying clients in the marketplace" or obviously justified in light of the size, geographical spread, and complexity of this litigation with frequently "cutting-edge" legal issues. With respect to all categories except the travel expenses (including hotels and airfare) for which Milberg Weiss seeks reimbursement, the amounts sought in each category appear to the Court to be reasonable in light of the circumstances, and the Court finds that those expenditures were for the common benefit of all the plaintiffs, including payments for experts, investigative expenses, court costs, photocopying, postage, accounting costs, court reporter services, etc. *See generally Acosta v. Master Maintenance*, 192 F. Supp. 2d 577.

Nevertheless, the Court is disturbed by request for reimbursement of some of Milberg Weiss' expenditures on hotel rooms and airfare. Certain members of Milberg Weiss have standardly traveled first or business class and stayed in very expensive hotels. If members of the firm choose to stay in high-end lodgings or purchase extraordinarily expensive airplanes, it should be at their expense, not that of the expense fund. For these reasons the Court is reducing the amount of reimbursement for "Meals, Hotel and Transportation by 20%, or $169,579.54, from $847,897.72 to

$678,318.18.[9] Moreover it admonishes Lead Counsel that it will require for future requests for reimbursement in this category not only a record of the cost, but an explanation if it appears excessive.

Accordingly, for the reasons indicated herein, it is hereby **ORDERED, ADJUDGED, AND DECREED** that

1. All of the capitalized terms used herein shall have the same meanings as set forth in the Stipulation of Partial Settlement dated as of August 29, 2002 ("Stipulation").

2. This Court has jurisdiction over the subject matter of this application and all matters relating thereto, including all Members of the Settlement Class.

3. The Court hereby awards the following counsel firms partial reimbursement of litigation expenses in the amounts shown:

a. Lerach Coughlin Stoia & Robbins LLP $4,653,982.00

b. Genovese Joblove & Battista PA $128,129.58

c. Cuneo Waldman & Filbert, LLP $28,093.26

d. Schwartz, Junell, Greenberg & Oathout, LLP $10,521.99

4. The awarded expenses shall be paid immediately after the date this Order is executed, subject to the terms, conditions and obligations of the Stipulation, which terms, conditions and obligations are incorporated herein.

IT IS SO ORDERED.

SIGNED at Houston, Texas, this ____ day of August, 2004.

MELINDA HARMON
UNITED STATES DISTRICT JUDGE

S:\CasesSD\Enron\Amended Order Re Expenses doc

[9] The Court has reached the figure it will award by taking 20% (or $169,579.54) of Lead Plaintiff's reduced request for this category, $847,897.72, and subtracting that amount from Lead Plaintiff's total reimbursement request, $4,823,561.52, to obtain the amount the Court approves, $4,653,982.00.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing SUPPLEMENTAL SUBMISSION REGARDING LEAD COUNSEL'S INTERIM EXPENSE REIMBURSEMENT REQUEST document has been served by sending a copy via electronic mail to serve@ESL3624.com on this 16th day of August, 2004.

I further certify that a copy of the foregoing document has been served via overnight mail on the following parties, who do not accept service by electronic mail on this 16th day of August, 2004.

Carolyn S. Schwartz
United States Trustee, Region 2
33 Whitehall Street, 21st Floor
New York, NY 10004

Deborah S. Granger
DEBORAH S. GRANGER